

**CONFIDENTIAL**

AD/NC

2280

SECURITY INFORMATION

Drafting Officer:

25X1

NIE-40 (Economic)

PROBLEMS OF CONVERSION AND STANDARDIZATION

26 November 1951

DOCUMENT NO. \_\_\_\_\_  
NO CHANGE IN CLASS. I  
☐ DECLASSIFIED  
CLASS. CHANGED TO: TS S (C) 1991  
NEXT REVIEW DATE: \_\_\_\_\_  
AUTH: HR 70-2  
DATE: 2 MARCH \_\_\_\_\_

25X1

**CONFIDENTIAL**

~~SECRET~~

NOV 28 1951  
NE-D

~~CONFIDENTIAL~~

~~SECRET~~

SECURITY INFORMATION

I

Conclusions

1. The rapidity of Soviet conversion of Western European industry to direct military production will depend on the kind of conversion attempted. There are two general courses that could be followed: (1) Armaments production could be centered in the Soviet Bloc, production in Western Europe being oriented toward raw material inputs for the Soviet armament industry; or (2) Armaments production could be divided between Western Europe and the Soviet Bloc. The first type of conversion could probably be completed within one to two years, with increasing efficiency. The second would probably require two to four years. However, the type of conversion undertaken would almost certainly be a combination of the two courses with emphasis at least in the beginning on the first course.
2. Standardization of Western European military production to Soviet types is unlikely. Valuable time would be lost and production would be reduced during the interval of standardization. Moreover, the advantages gained would not offset the difficulties.
3. During the entire period of occupation it may be expected that the Soviets would experience sabotage, disaffection, transportation difficulties, and lower worker efficiency because of food shortages. Such difficulties might sharply reduce the efficiency of Western industry for the first six months, with a resulting over-all decline in production in

~~CONFIDENTIAL~~

**CONFIDENTIAL**

~~SECRET~~

SECURITY INFORMATION

the early stages by as much as 50 to 60 percent. The over-all decline in production probably would gradually improve to about 20 to 25 percent of normal.

**CONFIDENTIAL**

CONFIDENTIAL

Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010030-3

SECURITY INFORMATION

II

Discussion

Conversion

The conversion by the Soviets of Western European industry to direct military production will be slower than conversion in the USSR. Soviet industry is already largely converted since current production of military items is high relative to production of civilian goods. Moreover, Soviet plants, particularly those constructed since World War II, are designed for rapid conversion (in some cases in about 90 days) to war production. Europe, on the other hand, is only slowly increasing its output of military items, and only slowly preparing plants for rapid wartime conversion. A few products of Western European industries, such as electronic equipment and certain chemicals could be quickly diverted to military use. The electronics industry could readily produce the components for specialized expendable items, such as radar, guided missiles, and proximity fuzes. Chemicals (such as nitric acid, ammonia, toluene, benzene, phenols, and chlorine) could be immediately diverted from civilian use to the manufacture of high explosives, chemical warfare reagents, and other war materials.

The rapidity of conversion in Western Europe will depend on the kind of conversion attempted by the Soviets. There are two general courses that could be followed: (1) Armaments production could be centered in the Soviet Bloc, production in Western Europe being oriented toward raw material

CONFIDENTIAL

Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010030-3

CONFIDENTIAL

Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010030-3

~~SECRET~~

SECURITY INFORMATION

inputs for the Soviet armaments industry; or (2) armaments production could be divided between Western Europe and the Soviet Bloc. The first type of conversion could probably be completed within one to two years, with increasing efficiency; the second would probably require two to four years.

The type of conversion undertaken would almost certainly be a combination of the two courses outlined. Centralization of armaments production within the Soviet Bloc would have at least two serious disadvantages:

- (1) increased load on an already overburdened transportation system, and
- (2) increased vulnerability to air attack. On the other hand, a thorough decentralization of armaments production would cost much more in terms of conversion time.

Hence the actual policy followed would probably involve in part conversion of Western European industry to armaments production and, in part, diversion from Western Europe to the Soviet Bloc of quantities of basic materials, technical and skilled personnel, and certain types of productive equipment. Such conversion could probably be accomplished within one to three years.

Standardization

The problem of standardization which the Soviets would encounter in Western Europe is twofold. The first problem concerns standardization of weapons, armaments, and munitions. The second concerns standardization of industrial equipment. In the first case, the Soviets would probably

CONFIDENTIAL

**CONFIDENTIAL**

Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010030-3

SECURITY INFORMATION

not attempt to standardize Western European military production to Soviet types. Valuable time would be lost and production would be reduced during the interval of standardization. Therefore, Western European arms would probably be shipped to Chinese Communist armies, to the Satellites, or used to equip Soviet troops.

In the second case, Western European industrial equipment is currently of the same general types as equipment in the USSR. The Soviet Bloc could readily utilize superior items of equipment, such as high-speed machinery, and special types of machine tools, without any adaptation. Wherever specialized equipment could be utilized for producing weapons and munitions of types and caliber different from those in the USSR, the Soviets would continue to produce the special types of weapons and munitions, if expedient, or adapt the equipment for use in Soviet plants.

Problems of Occupation

During the entire period of occupation, it may be expected that the Soviets would experience sabotage, disaffection, transportation difficulties, and lower worker efficiency because of food deficiencies. Such difficulties might sharply reduce the efficiency of Western industry for the first six months, with a resulting over-all decline in production by as much as 50 to 60 percent in the beginning; the over-all decline in production probably would gradually improve to about 20 to 25 percent of normal.

Sabotage alone might cause a continued decline of five to ten percent. However, worker efficiency caused by disaffection and food deficiencies, might account for an additional decline of 10 percent. The remainder of

Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010030-3

**CONFIDENTIAL**

**CONFIDENTIAL**

Approved For Release 2005/08/12 : CIA-RDP79R01012A001200010030-3

SECURITY INFORMATION

the decline (about 10 to 15 percent) would be attributable to loss of imports, problems of integrating Western Europe with the Soviet Bloc, and the secondary repercussions caused by these two factors.

Approved For Release 2005/08/12 : CIA-RDP79R01012A001200010030-3

**CONFIDENTIAL**